Message Text

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ACTION EA-06

INFO OCT-01 ISO-00 EB-03 H-01 INR-07 L-01 PM-03 PRS-01

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FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC IMMEDIATE 6341

CONFIDENTIAL JAKARTA 1216

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E.O. 11652: GDS

TAGS: EFIN ENRG EALR ID

SUBJECT: CER/EAL: PERTAMINA AND GOVERNMENT PROJECT FINANCING

REFS: A. JAKARTA 1125 B. JAKARTA 0436

- 1. QUOTED BELOW IS TEXT OF TELEX SENT BY MIGAS DIRECTOR WIJARSO FROM NEW YORK TO EMBOFF (MATZ) JANUARY 28.
- 2. QUOTE REFERRING TO OUR TELEPHONE CONVERSATION, MY OFFHAND REMARKS SEEMS TO BE THE PREVAILING VIEW AT THE MOMENT ESPECIALLY IN LIGHT OF THE COST TO US OF OUR PREFERENTIAL TREATMENT IN YOUR FAVOR. I AM AFRAID THAT IF TALK ABOUT FINANCING OF NEW PLAJU PROJECT IS NOT FAVORABLE, IT WILL ADD TO THIS UNSATISFACTORY FEELING. REGARDS. WIJARSO SENS. UNQUOTE
- 3. WIJARSO'S COMMENT FIRST SENTENCE REFERS TO HIS VERY NEGATIVE REACTION TO INDONESIA'S EXCLUSION (AS OPEC COUNTRY) FROM US GENERALIZED PREFERENCES IN RECENTLY ENACTED TRADE BILL. DURING CONVERSATION WITH EMBOFF SHORTLY BEFORE DEPARTURE FOR EUROPE AND US, CONFIDENTIAL

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WIJARSO ASKED RHETORICALLY, "MAYBE WE SHOULD WITHHOLD

GOI APPROVAL OF LNG CONTRACT UNTIL INDONESIA IS ASSURED BENEFITS OF US PREFERENCES." REFERENCE "PREFERENTIAL TREATMENT IN YOUR FAVOR" IS TO SIGNIFICANTLY LOWER PRICE INDONESIA AGREED TO SELL LNG TO US COMPARED WITH PRICE TO JAPAN (REFTELB).

4. SECOND SENTENCE IS REFERENCE TO GOI/PERTAMINA INTEREST IN EXIM FINANCING FOR PLAJU AROMATICS PLANT WHICH WE UNDERSTAND GENERAL IBNU WILL DISCUSS WITH CHAIRMAN CASEY DURING WASHINGTON VISIT.

5. COMMENT: IT IS SAFE TO ASSUME THAT VIEWS EXPRESSED BY WIJARSO ARE ALSO SHARED BY GEN. IBNU, JOHN NIZAR, JOHN ABDI AND TIRTO UTOMO, KEY PERTAMINA OFFICIALS WHO COMPOSE GROUP VISITING NEW YORK AND WASHINGTON. HIS COMMENT POINTS UP SENSITIVITY OF REFTEL A AND IMPORTANCE THAT GOI/PERTAMINA ATTACH TO EFFORTS OBTAIN EXIM FINANCING AND PARTICULARLY FOR AROMATICS PROJECT. EMBOFF LEARNED TODAY PERTAMINA AND FLUOR ENGINEERING SIGNED AGREEMENT EARLIER THIS MONTH FOR CONSTRUCTION AROMATICS PLANT, SUBJECT TO AVAILABILITY SUITABLE FINANCING.

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Message Attributes

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